Basic information

2018/2179(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound) **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	SARVAMAA Petri (PPE)	26/07/2018
	Shadow rapporteur KADENBACH Karin (S&D) CZARNECKI Ryszard (ECR) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) STAES Bart (Verts/ALE) KAPPEL Barbara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	HARKIN Marian (ALDE)	09/10/2018

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary
28/06/2018	Non-legislative basic document published	COM(2018)0521	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		

01/03/2019	Committee report tabled for plenary	A8-0143/2019	Summary
26/03/2019	Decision by Parliament	T8-0281/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2179(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14274

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.809	10/12/2018	
Committee opinion	EMPL	PE629.763	25/01/2019	
Amendments tabled in committee		PE634.515	04/02/2019	
Committee report tabled for plenary, single reading		A8-0143/2019	01/03/2019	Summary
Text adopted by Parliament, single reading		T8-0281/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05825/2019	31/01/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0012/2019 OJ C 434 30.11.2018, p. 0001	18/09/2018	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2019/1515 OJ L 249 27.09.2019, p. 0284

2017 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2018/2179(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure.

Analysis of the accounts of the **European Foundation for the Improvement of Living and Working Conditions (Eurofound)**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the **EU's consolidated accounts for the year 2017** and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

Eurofound: the Foundation, which is located in Dublin (IRL), was set up by Council Regulation (EEC) No 1365/75 aims to contribute to the planning and establishment of better living and working conditions in the Union by increasing and disseminating knowledge which is relevant to this subject.

The year 2017 marked the first year of Eurofound's new multiannual programme Towards upward convergence 2017–2020 which covers the more traditional areas of Eurofound's expertise (Working conditions, Industrial relations, Labour market change and Quality of life) and new challenges for Europe: the Digital age and Monitoring convergence.

As regards the Foundation's accounts, these are presented in detail in the document on the consolidated annual accounts of the European Union for 2017:

Commitment appropriations:

- available: EUR 21 million;

- made: EUR 20 million.

Payment appropriations:

- available: EUR 24 million;
- made: EUR 20 million.

For further details on expenditure, please refer to Eurofound's 2017 annual accounts.

2017 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2018/2179(DEC) - 26/03/2019 - Text adopted by Parliament, single reading

The European Parliament decided to grant discharge to the Director of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2017 and to approve the closure of the accounts for the financial year in question.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Foundation's annual accounts for the financial year 2017 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 496 votes to 128 with 5 abstentions, a resolution containing a series of recommendations, which form an integral part of the decision on discharge and which add to the general recommendations set out in the draft resolution on performance, financial management and control of EU agencies:

Foundation's financial statements

The final budget for Eurofound for the financial year 2017 was EUR 20 480 000 representing a decrease of 1.49 % compared to 2016.

Budget and financial management

Parliament noted with appreciation that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, the same as in the 2016. Payment appropriations execution rate was 80.7 %, representing a decrease of 4.1 % compared to 2016.

Members also made a series of observations regarding procurement, staff policy and internal controls.

In particular, they noted that:

- the delivery of work programme outputs planned for 2017 reached 90 % of achievement (35 of 39 outputs);

- on 31 December 2017, the establishment plan was 95.70 % completed, with 89 officials or temporary agents appointed out of 93 authorised under the Union budget.

- that the Foundation reported underpayments and overpayments to thirty staff members for the period 2005 to 2014 in relation to the transition to the new EU Staff Regulations in 2005. The Foundation corrected all underpayments, but will not recover the overpayments;

- by the end of 2017, the Foundation was not yet using all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement);

- the Foundation implemented an ethics code and that the Foundation is committed to informing the discharge authority about any case of alleged or confirmed conflict of interest;

- there is a need to strengthen the accounting officer's independence by making him directly responsible to the Foundation's director and management board.

2017 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2018/2179(DEC) - 01/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) for the financial year 2017.

The committee called on the European Parliament to grant the Director of the Foundation discharge in respect of the implementation of the Foundation's budget for the financial year 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Foundation for the financial year 2017 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Foundation's accounts.

They made, however, a number of recommendations that needed to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

Foundation's financial statements

The final budget for Eurofound for the financial year 2017 was EUR 20 480 000 representing a decrease of 1.49 % compared to 2016.

Budget and financial management

Members noted with appreciation that the budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 100 %, the same as in the 2016. Payment appropriations execution rate was 80.7 %, representing a decrease of 4.1 % compared to 2016.

Members also made a series of observations regarding procurement, staff policy and internal controls.

In particular, they noted that:

- on 31 December 2017, the establishment plan was 95.70 % completed, with 89 officials or temporary agents appointed out of 93 authorised under the Union budget.

- that the Foundation reported underpayments and overpayments to thirty staff members for the period 2005 to 2014 in relation to the transition to the new EU Staff Regulations in 2005. The Foundation corrected all underpayments, but will not recover the overpayments;

- by the end of 2017, the Foundation was not yet using all of the tools launched by the Commission aimed to introduce a single solution for the electronic exchange of information with third parties participating in public procurement procedures (e-procurement);

- the Foundation implemented an ethics code and that the Foundation is committed to informing the discharge authority about any case of alleged or confirmed conflict of interest;

- there is a need to strengthen the accounting officer's independence by making him directly responsible to the Foundation's director and management board.

2017 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2018/2179(DEC) - 31/01/2019 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2017 and the balance sheet as at 31 December 2017 of the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND), as well as the Court of Auditors' report on the annual accounts of the Foundation for the financial year 2017, accompanied by the Foundation's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Director of the Foundation in respect of the implementation of the budget for the financial year 2017.

The Council welcomed the Court's opinion that, in all material respects, the Foundation's annual accounts present fairly its financial position as at 31 December 2017 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Foundation's Financial Regulation, and that the underlying transactions for 2017 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- ***accounting***: the Council regretted the deficiencies found by the Court in the Foundation's accounting environment. It called on the Foundation to take appropriate actions mainly to ensure the accounting officer's independence;

- ***procurement***: whilst taking note of the Foundation's reply and actions taken, the Foundation should ensure the full implementation without unjustified delay of electronic public procurement.

2017 discharge: European Foundation for the Improvement of Living and Working Conditions (Eurofound)

2018/2179(DEC) - 18/09/2018

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions for the financial year 2017, together with the Foundation's reply.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the European Foundation for the Improvement of Living and Working Conditions (EUROFOUND).

In brief, the Foundation's task is to contribute to the planning and establishment of better living and working conditions in the Union by increasing and disseminating knowledge which is relevant to this subject.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Foundation's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Foundation, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations

Financial management

Agencies should introduce a single solution for the electronic exchange and storage of information with third parties participating in public procurement procedures (e-procurement). As the same requirement exists for all EU Institutions, the Commission is developing a comprehensive IT solution covering all phases of public procurement procedures. The Commission launched tools for electronic invoicing (e-invoicing), for the electronic publication of documents related to contract notices (e-tendering) and for the electronic submission of tenders (e-submission). By the end of 2017, the Foundation had introduced e-invoicing and e-tendering for certain procedures, but not e-submission.

The Foundation's reply

Financial management

The Foundation noted that problems have been experienced with the IT software. The e-procurement software is currently only available for open tenders (but not for negotiated tenders), of which Eurofound has very few per year. Therefore, Eurofound will continue to monitor the developments and is prepared to make the investment in e-procurement once satisfied with the software's stability and functionality.

Lastly, the Court of Auditors' report contains a summary of the Foundation's key figures in 2017:

Budget

EUR 20 million (in payment appropriations).

Staff

100 including officials, temporary and contract staff and seconded national experts.